

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

In Re:

LLS AMERICA, LLC,

Debtor,

BRUCE P. KRIEGMAN, solely in his
capacity as court-appointed Chapter 11
Trustee for LLS America, LLC,

Plaintiff,

v.

267406 BC LTD, et al.,

Defendants.

NO: CV-12-484-RMP

Bankr. Case No. 09-06194-PCW11

Adv. Proc. No. 11-80296

DEFAULT JUDGMENT

THIS MATTER came on consideration upon the Motion of Plaintiff for
Entry of Default and Judgment against Defendant Don Kennedy, and it appearing
from the file and records of this Court in this cause that the default judgment
(Bkcy. Dkt. No. 182) entered by the Bankruptcy Court should be deemed proposed

1 findings of fact and conclusions of law, and that entering final default judgment in
2 conformity with the default judgment entered by the Bankruptcy Court is
3 appropriate,

4 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that the
5 Plaintiff, Bruce P. Kriegman, solely in his capacity as court-appointed Chapter 11
6 Trustee for LLS America, LLC, shall have a judgment against Defendant Don
7 Kennedy, as follows:

8 1. Monetary Judgment in the amount of CAD \$44,437.33 and \$6,228.66
9 USD, pursuant to 11 U.S.C. § 550 and RCW 19.40.071;

10 2. Transfers in the amount of CAD \$44,437.33 and \$6,228.66 USD made to
11 the Defendant Don Kennedy within four years prior to the Petition Filing Date are
12 hereby avoided and Plaintiff may take all necessary action to preserve the same,
13 pursuant to 11 U.S.C. §§ 544, 550, 551 and 548(a) and (b) and RCW 19.40.041(1)
14 and (2) and RCW 19.40.071;

15 3. All said transfers to Defendant Don Kennedy are hereby set aside and
16 Plaintiff shall be entitled to recover the same, or the value thereof, from Defendant
17 Don Kennedy for the benefit of the estate of LLS America, pursuant to 11 U.S.C.
18 §§ 544, 550 and 551;

19 4. All proofs of claim of Defendant Don Kennedy which have been filed or
20 brought or which may hereafter be filed or brought by, on behalf of, or for the

1 benefit of Defendant Don Kennedy or his affiliated entities, against the Debtor's
2 estate, in this bankruptcy or related bankruptcy proceedings, are hereby disallowed
3 and subordinated to the monetary judgment granted herein and Defendant Don
4 Kenndy shall not be entitled to collect on his proofs of claim (Claim Nos. 505-1
5 and 506-1) until the monetary judgment is satisfied by Defendant Don Kennedy in
6 full, pursuant to 11 U.S.C. §§ 502(d), 510(c)(1) and 105(a);

7 5. A constructive trust is hereby established over the proceeds of all transfers
8 in favor of the Trustee for the benefit of the estate of LLS America; and

9 6. Plaintiff is hereby awarded costs (i.e. filing fees) in the amount of \$250.00
10 USD, for a total judgment of CAD \$44,437.33, plus \$6,478.66 USD, which shall
11 bear interest equal to the weekly average of one-year constant maturity (nominal)
12 treasury yield as published by the Federal Reserve System.

13 The District Court Clerk is directed to enter this Order, enter judgment as
14 outlined above, and provide copies to counsel and to Judge Patricia C. Williams.

15 DATED this 1st day of November 2012.

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18 s/ Rosanna Malouf Peterson
19 ROSANNA MALOUF PETERSON
20 Chief United States District Court Judge